

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Department of Defense Reform Initiative Directive #47 - End-to-End Procurement Process

There are several initiatives ongoing within the Department of Defense that are designed to improve our business practices and create the preeminent procurement system in the federal government. Improvements are being realized by re-engineering processes and using standard shared data, thus eliminating the need for paper documentation and stand-alone automated systems.

However, the Department will not receive maximum benefits from these process improvements until an end-to-end procurement process for the future environment has been defined and implemented as the basis for a shared data environment. Until this action is completed, we risk developing systems that omit important business functions or will not operate together. We also risk perpetuating problems such as unmatched disbursements and contract overpayments. The importance of developing and agreeing to business processes and architecture of the future shared data environment cannot be over emphasized. The previously developed "as-is" end-to-end contracting process is a proper point of departure for defining the "to be" end-to-end process as we move to a shared data environment.

Accordingly, I direct the establishment of a DoD-wide Working Integrated Process Team (WIPT) to develop and document the future end-to-end procurement process including accounting and payment. The WIPT will incorporate into its findings and recommendations the results of efforts now nearing completion under DRID #32, Paperless Contract Closeout, and DRID #33, Paperless DD Form 250, Material Inspection and Receiving Report. The WIPT will be co-chaired by Mr. Gary Amlin, Director of the Defense Finance and Accounting Service and, on behalf of the Director of Defense Procurement, Major General Timothy P. Malishenko, the Component Acquisition Executive's designated representative for Standard Procurement System. Membership on this WIPT will be composed of representatives from the Military Departments

(to include procurement, financial management and logistics functionals) the Defense Logistics Support Command, the Defense Contract Audit Agency, the Defense Finance and Accounting Service, the Under Secretary of Defense (Acquisition and Technology), the Deputy Under Secretary of Defense (Logistics), the Defense Contract Management Command, the Defense Information Systems Agency, and the Joint Electronic Commerce Office. The team must include personnel who are familiar with and can make commitments relative to procurement, financial management, and logistics. The WIPT will provide regular status reports to the Paperless Contracting Overarching Integrated Process Team. Additionally, the WIPT, before finalizing its recommendations, shall obtain the Standard Procurement System Steering Group's concurrence to assure consistency with procurement and finance business applications currently being developed.

Within ten days after the issuance of this directive, the above organizations shall send to Major Paul Yandik, the WIPT administrative coordinator, (703) 767-3441, email paul_yandik@hq.dla.mil, FAX (703) 767-2363, the names of their representatives for this WIPT.

The first phase of activity for this WIPT, the development of the end-to-end process model, should be completed within 120 days. The second phase, process implementation, will fall under the oversight responsibility of the Principal Staff Assistants (PSAs) responsible for those end-to-end processes. The DoD CIO will be responsible for the integration of process re-engineering activities and maintaining the overall end-to-end process model.

John J. Hamre